
DIGEST

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N. Gautreaux

SB No. 724

Present law provides that sixteenth section or school board indemnity lands will be deemed transferred to the state in its sovereign capacity when such lands become a part of the bed of any body of navigable water as a result of erosion, subsidence of the surface, action of a navigable stream, bay, lake, or the Gulf of Mexico, or other similar occurrence. Further provides that revenues generated by such former lands held in trust shall be credited to the account of the current school fund of the parish having an interest in the sixteenth section or indemnity school lands to ensure the purposes of the original grant.

Present law provides an exception. If any such eroded or subsided lands are covered by an existing oil and gas lease or other contract granted by the state in its sovereign capacity, all proceeds from production and other revenues, generated after July 1, 2007, and attributable to the eroded lands, will be credited to the account of the current school fund of the parish having an interest in the sixteenth section or indemnity lands.

Present law provides for the proof required to be presented to the state Department of Natural Resources (DNR) showing the exact extent of land claimed to be lost through erosion or subsidence and evidence as may be required by DNR showing the extent of the erosion or subsidence claimed.

Proposed law provides (notwithstanding present law) that sixteenth section lands are comprised entirely of state-owned water bottoms and no school indemnity lands were provided for such sixteenth section lands, all proceeds received by the state from production and other revenues generated after July 1, 2007, from any oil and gas lease or other contract granted by the state in its sovereign capacity attributable to the sixteenth section lands shall be credited, subject to an appropriation specifically for proceeds attributable to FY 2007-2008, 2008-2009, and 2009-2010, to the account of the school fund of the parish in which such sixteenth section lands are located. Provides that beginning in FY 2010-2011 and thereafter, such proceeds shall be credited to the account of the current school fund of the parish in which such sixteenth section lands are located. Further provides that the secretary of the DNR must certify to the treasurer the amount of proceeds to be credited pursuant to proposed law.

Proposed law provides that proposed law will be applied retroactively to July 1, 2007.

(Amends R.S. 41:642(A)(2))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Provides that credit for proceeds attributable to FY 2007-2008, 2008-2009, and 2009-2010 to the account of the school fund of the parish in which such sixteenth section lands are located, shall be subject to appropriation. Beginning in FY 2010-2011 and thereafter, such proceeds shall be credited to the current school fund of the parish where such sixteenth section lands are located.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Education to the reengrossed bill.

1. Changes proposed law to provide that it is applicable notwithstanding certain present law provisions.